



N.J. Department of Law and Public Safety  
Division of Consumer Affairs

**N.J. State Board of Accountancy**

124 Halsey Street  
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# New Jersey State Board of ACCOUNTANCY NEWSLETTER

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## *President's Remarks*

by Alfonso J. Pisano, Esq., Board President

I am deeply honored to serve you as president of the New Jersey State Board of Accountancy. Having served on the Board for several terms as a public member, I am familiar with and dedicated to the members of the profession as well as the public whom we are charged with the responsibility of protecting. As we embark into the new millennium, I think it is in everyone's best interest to review and reaffirm the role of the New Jersey State Board of Accountancy. It is the Board's responsibility to:

1. Regulate entry into the profession;
2. Establish general practice standards; and
3. Establish and maintain a system of discipline.

The Board views as its primary obligation the protection of the public interest. This requires that we:

1. Set professional and ethical standards for practice;
2. Ensure the good moral character of applicants for licensure;
3. Require that all applicants meet prescribed standards for education, examination and experience as a base for reasonable assurance that candidates will provide competent services to the general public;
4. Monitor the ongoing practice of licensees and firms that practice in the public sector, thereby helping to ensure the continuing competency of members of the profession. This objective is achieved through assuring licensee compliance with the continuing education requirements and through licensee and firm participation in the Quality Enhancement Program; and

5. Last, but far from least, provide appropriate procedures for the investigation and discipline of our practitioners and the practice entity when we have reason to believe there has been a failure to comply with prescribed standards.

As president of the Board, my most disturbing responsibility is signing orders of discipline and imposing sanctions against licensees, often revoking the licenses of CPAs. This, however, is an integral part of policing the profession.

Into your hands we have placed the ongoing confidence of the public, knowing full well that as we enter the new century you will do everything within your capacities to protect the public's interest, as well as your status as CPAs.

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## Governor Appoints New Board Member

Governor Christine Todd Whitman has appointed Andrew L. DuBoff to the New Jersey State Board of Accountancy, effective September 24, 1999. DuBoff is a recently retired partner of PriceWaterhouseCooper LLP. For the past five years, he has served as the firm's representative to a coalition of large firms dealing with the accounting profession's regulatory and legislative issues throughout the United States.



*Andrew L. DuBoff*

DuBoff was the 1995/96 president of the New Jersey Society of Certified Public Accountants (NJSCPA), was active in the society's tort reform and privacy initiatives, and played a key role in the passage of the non-CPA ownership legislation in New Jersey prior to his appointment to the Board. In addition to his service with the NJSCPA, DuBoff is actively involved with the American Institute of Certified Public Accountants (AICPA). He currently serves on the AICPA Council, as well as the AICPA Political Leadership Cabinet.

DuBoff was born in Orange, New Jersey, attended West Orange High School, and earned undergraduate and MBA degrees at Dartmouth College and Rutgers University, respectively. He and his spouse, Arlene, have three children, and reside in Livingston.

## Failure To Repay Student Loans

Governor Whitman has signed into law P.L. 1999, chapter 54, which permits the Director of the New Jersey Division of Consumer Affairs, or any of the professional boards which issue licenses, to suspend any licensee who defaults on a state or federal education loan. The license will not be reinstated until the licensee provides the executive director of the board with a written release, issued by the lender or guarantor, which says that he or she has paid the loan in full, or is making payments in accordance with a repayment agreement approved by the lender or guarantor. This law became effective on June 8, 1999.

## New Jersey State Board of ACCOUNTANCY NEWSLETTER

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## **NASBA Elects Joel J. Rogoff, CPA, Director-at-Large; Nominated as NASBA Vice-Chair**

Board member Joel J. Rogoff, CPA, of Short Hills has been elected to serve a three-year term as a director-at-large of the National Association of State Boards of Accountancy (NASBA). The election was held on October 15, 1999, at NASBA's 92<sup>nd</sup> Annual Meeting in Nashville, Tennessee. NASBA's mission is to enhance the effectiveness of state boards of accountancy in meeting their regulatory responsibilities. The association promotes the exchange of information among the accountancy boards, serving the needs of the 54 jurisdictions in the United States.

Mr. Rogoff, who has served as NASBA's Northeast Regional Director for three years, was unanimously elected as secretary to NASBA's Board of Directors at its January meeting. In March of this year, Mr. Rogoff was named by the NASBA Nominating Committee as its choice to become the NASBA vice-chairman for 2000-01.

This past year he was co-chairman of NASBA's Ethics Committee and chairman of the Audit Committee. Mr. Rogoff was the chairman of the Ethics Conference, "Ethics Under Stress," jointly sponsored by the American Institute of Certified Public Accountants, the American Accounting Association and NASBA, held in Washington D.C. in April 1999. He is currently chairman of NASBA's Technical Standards Committee which is responsible for reviewing exposure drafts concerning ethics and technical matters that affect the public interest.

Mr. Rogoff is presently serving as chairman of the New Jersey Board of Accountancy's Statute Revision and Rules and Regulations Committees.



*Joel J. Rogoff*

## **Amendments to the Accountancy Act of 1997**

by Joel J. Rogoff, CPA,  
Chairman, Statute Revision Committee

On September 20, 1999, Governor Christine Todd Whitman signed Senate Bill 1925, which will permit nonlicensee ownership of accounting firms and permit certified public accountants and licensed public accountants working in nonlicensed firms to issue compilation reports under the Statements on Standards for Accounting and Review Services (SSARS).

The new law will allow up to 49 percent of nonlicensed ownership in accounting firms as long as certified public accountants or licensed public accountants maintain majority voting rights and financial control. All nonlicensed owners must be active participants in the firm and are prohibited from holding themselves out as CPAs or public accountants. A firm must also designate a CPA or licensed public accountant to take ultimate responsibility for each attest engagement and register a licensee with the State Board of Accountancy who will be responsible for all professional matters that relate to the practice of accountancy. The ownership interest of a nonlicensee owner shall revert to the firm upon the cessation of any material participation by the nonlicensed owner in the business conducted by the firm or entity. The new law became effective on December 19, 1999. Fifteen states currently have similar legislation and many others have legislation pending.

The issuance of a compilation report under SSARS by a CPA or public accountant working in a nonlicensed firm must be signed individually and may not be signed in the name of the firm or organization. A licensee working in a nonlicensed firm and issuing a compilation report will be subject to the Board's Quality Enhancement Program or a quality review conducted by an independent entity or organization approved by the Board. This amendment became effective on March 18, 2000.

## New CPE Requirements

by Robert Sommer, Public Accountant  
Chairman, CPE Committee

Consistent with the requirements of the Accountancy Act of 1997, the New Jersey State Board of Accountancy has amended its rules and regulations with regard to continuing professional education (CPE) requirements for the triennial licensing period commencing January 1, 2000. The new amendments became effective on March 20, 2000. All licensees shall complete, during the triennial period, 120 hours of CPE required by the new law, which shall include 24 credit hours in accounting and auditing for those engaged in the practice of public accounting or those who issue an audit, a review or compilation reports. All applicants shall complete at least 72 credit hours of the required 120 credit hours in technical subjects. The remaining 48 hours may be in other qualifying subjects. No licensee shall receive credit for any course offered by Board-approved CPE sponsors in subjects other than those specified in the regulations.

Anyone failing to meet the CPE requirements in any triennial renewal period shall not be issued a current license until such CPE requirements have been satisfied. Failure to complete CPE requirements may subject a licensee to disciplinary action by the Board.

The Board may, in its discretion, waive requirements for CPE on an individual basis for reasons of hardship, health, military service or other due cause. A waiver of CPE requirements shall be effective only for the triennial period in which such waiver is granted. If the conditions which necessitated the waiver persist into the next triennial period, a licensee shall apply to the Board for the renewal of the waiver. Inactive accountants are exempt from CPE requirements. Inactive accountants are those who do not practice accounting (public or private) and do not hold themselves out to the public as practicing accountants in any professional capacity. Any accountant who returns to the practice of accounting shall notify the Board prior to reinstatement and will be required to meet current CPE requirements. Accountants inactive for one year or less shall satisfy CPE requirements by completing at least 40 hours of CPE in the year prior to reinstatement. Accountants inactive for a period of more than one year, but less than two years, shall complete 80 credit hours of CPE. Applicants seeking reinstatement after more than two years must complete the full 120 hours. New licensees are exempt from CPE requirements during their initial licensing period.

The following subjects are acceptable for satisfaction of the required 72 credit hours of CPE in technical subjects over the triennial period:

1. Accounting;
2. Auditing, including, but not limited to, review, compilation and attest standards;
3. Business law;
4. Computer science;
5. Economics;
6. Finance;
7. Management advisory service;
8. Mathematics, statistics, etc;
9. SEC practice;
10. Taxation; and
11. Professional ethics.

Subjects other than those listed above may be acceptable for CPE credit if the licensee can satisfactorily demonstrate to the Board that such subject or specific program contributes to the maintenance of the licensee's professional competence.

Courses related to personal development of the licensee, or courses directly associated with the administration of the licensee's practice, shall be accepted toward satisfaction of the CPE requirements. Included in this category are courses that concentrate on practice management areas such as organizational structure, human resources, management and other administrative matters. Courses which relate to a licensee's personal skills, such as speaking, leadership and managing people or organizations, shall also be included in this category. Courses which relate to the development of a licensee's practice or the marketing of services are not acceptable toward satisfaction of the CPE requirements.

Continuing professional education programs and other sources of CPE credit can be obtained from the following sources as long as they offer subjects enumerated above (numbers one through 11) and meet the CPE program requirements.

1. National or state professional organizations' CPE credits shall be granted at the rate of one credit hour for every 50 minutes of in-class participation.
2. University or college courses: CPE credit shall be granted for university or college courses in accordance with the following: a) applicants

shall receive five credit hours of CPE for each semester credit hour earned, and b) applicants attending noncredit courses shall be granted CPE credit at the rate of one credit hour for every 50 minutes of in-class participation.

3. In-firm educational programs for public accounting firms: CPE credits shall be granted at the rate of one credit hour for every 50 minutes of in-firm participation.
4. Correspondence programs and other: Individual study programs' CPE credit shall be granted in accordance with the following: (a) the amount

of credit to be allowed for approved correspondence and individual programs, including taped study programs, shall be recommended by the program's sponsor based upon one-half the average completion time calculated by the sponsor after it has conducted a "field test," and (b) credit for correspondence and other individual study programs shall only be given for the renewal period in which the course is completed with a successful final examination.

Licenseses are encouraged to become familiar with the new continuing education rule provisions which appear beginning on page 6.

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## Quality Enhancement Program Improves Professional Service

by Dale Nelson, CPA, Director of Accountancy

Over the past few years, the State Board's Quality Enhancement Program has identified practitioners who were issuing reports on financial statements that were deficient according to the professional standards. By identifying these deficiencies and offering recommendations as to how to conform to the accepted standards, or by providing technical references that will identify these standards, the program has helped several of these practitioners to improve the quality of their work. This can be seen by reviewing the resubmissions of those whose original submissions were found to be deficient.

In some cases, when a licensee's resubmission continues to be deficient, that individual may be called to meet with the Quality Enhancement Standing Committee. Through meeting with the committee, it is our hope that a program can be established that will ensure that recurring deficiencies will be corrected.

However, in certain cases the licensee has advised the committee members that the report submitted for review was different from that which was issued to the client; or, in some cases, that no report was issued to the client. Practitioners seem to feel they must impress the Board by submitting a report of higher quality than that which was provided to the client.

In this situation the practitioner must be advised that the Quality Enhancement Program is not a test to be

passed or failed. It is designed to ensure that clients are receiving the high quality of service that is expected from the profession. Accordingly, a review of a report that has been submitted solely to the Board and not to the client does little more than cause confusion for the licensee.

Remember, the client's name is omitted when the report and financial statements are submitted for review. However, when the report submitted for review is otherwise identical to the report issued to the client, the committee's findings and recommendations can be used as an educational tool for the licensee.

In conclusion, if you participate in the Quality Enhancement Program, remember: the reviewers and the committee are not looking to be impressed by the submission of an audit or a review by a licensee who only issues compilations. That is not the purpose of the program. The program has helped several practitioners, and it will continue to help others in the future. But to do so, it must receive submissions from licensees who are willing to accept recommendations to help them in the preparation of financial statements. The review program is not a game to win or lose, but there can be winners when licensees gain knowledge in an effort to provide a better product for their clients.

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# Continuing Professional Education Regulations

N.J.A.C. 13:29-6

## 13:29-6.1 Scope

All licensees subject to the provisions of N.J.S.A. 45:2B-42 et seq. shall comply with the provisions of this subchapter relating to continuing professional education (CPE). These rules apply to all licensees registered by the Board of Accountancy in order to enhance the professional competence of such licensees.

## 13:29-6.2 Credit-hour requirements

- (a) Each applicant for a triennial license renewal is required to complete, during the preceding triennial period, 120 hours of continuing professional education. The types of continuing professional education programs and other sources of continuing professional education for which credit hours may be obtained are set forth in N.J.A.C. 13:29-6.5. The 120 hours of continuing professional education shall include at least 24 credit hours in the areas of auditing, review and compilation for persons who are engaged in the practice of public accounting or are involved with the attest function in issuing audit, review or compilation reports. All applicants shall complete at least 72 credit hours of the required 120 credit hours in the technical subjects set forth in N.J.A.C. 13:29-6.3. The remaining 48 credit hours of the required 120 credit hours may include subjects specified in N.J.A.C. 13:29-6.4. No licensee shall receive credit for any course offered by a Board approved continuing professional education sponsor in subjects other than those enumerated in N.J.A.C. 13:29-6.3 or 13:29-6.4.
- (b) Persons failing to meet the continuing professional education requirements for a triennial renewal period shall not be issued a current license until such continuing professional education requirements have been satisfied. The Board may modify this policy on an individual basis under circumstances specified under N.J.S.A. 45:2B-68. Failure to meet triennial continuing professional education requirements may subject a licensee to disciplinary action by the Board.
- (c) The Board may, in its discretion, waive requirements for continuing professional education on an individual basis for reasons of hardship such as health, military service, or other due cause. A waiver of continuing professional education requirements granted pursuant to this subsection shall only be effective for the triennial period in which such waiver

is granted. If the condition(s) which necessitated the waiver persists into the next triennial period, a licensee shall apply to the Board for the renewal of such waiver for the new triennial period. Inactive accountants shall be exempt from continuing professional education requirements. Inactive licensees are those who do not practice accounting (public or private) or hold themselves out to the public as practicing accountants in any professional capacity. Any licensee who returns to the practice of accounting shall notify the Board prior to reinstatement and shall meet the continuing professional education requirements by completing 120 credit hours of continuing professional education requirements prescribed by this subchapter within the three year period prior to reinstatement. Licensees inactive for more than one year, but not exceeding two years, shall satisfy at least 80 credit hours of continuing professional education within the two year period prior to reinstatement. Licensees inactive for one year or less will satisfy the requirements by completing at least 40 credit hours of continuing professional education in the year prior to reinstatement.

- (d) An applicant, upon successful completion of the Uniform CPA Examination, shall be exempt from the requirements of (a) above for only the triennial period during which the applicant successfully completed such examination.

## 13:29-6.3 Qualifying technical subjects

- (a) The following subjects are acceptable for satisfaction of the required 72 credit hours of continuing professional education in technical subjects over the triennial period.
  1. Accounting;
  2. Auditing, including, but not limited to, review, compilation and attest standards;
  3. Business law;
  4. Computer Science;
  5. Economics;
  6. Finance;
  7. Management advisory services;
  8. Mathematics, statistics, etc.;
  9. SEC practice;
  10. Taxation; and
  11. Professional ethics.
- (b) Any of the subjects in (a) above may be in specialized areas, such as governmental, not-for-profit organizations, film industry, real estate, and farming.

- (c) Auditing, review and compilation includes the body of knowledge that deals with the basic service of the public accounting profession, that is, examination and reporting on financial statements. Also included in this area is the examination or review of internal and administrative controls, operations and government programs. Relevant program offerings could include audit theory and philosophy; generally accepted auditing standards; study and evaluation of internal control; substantive audit procedures; audit sampling; reporting on financial statements; review services; and computer and government auditing. Qualifying subject matter will include courses covering pronouncements or regulations issued by recognized authorities such as the FASB, AICPA, SEC or other government agencies (state and Federal) dealing with auditing, financial reporting, or application of generally accepted accounting principles.
- (d) Subjects other than those listed in (a) above may be acceptable for continuing professional education credit if the licensee can demonstrate to the satisfaction of the Board that such subject or specific program contributes to the maintenance of the licensee's professional competence.

#### **13:29-6.4 Other qualifying subjects**

Courses related to personal or professional development of the licensee, or courses directly associated with the administration of the licensee's practice, shall be accepted towards satisfaction of continuing professional education requirements. Included in this category are courses that concentrate on the practice management areas, such as organizational structure, human resource management and other administrative matters. Courses which relate to a licensee's personal skills such as speaking, leadership and managing people or organizations shall also be included in this category. Courses which relate to the development of a licensee's practice or the marketing of services shall not be accepted towards satisfaction of continuing professional education requirements.

#### **13:29-6.5 Continuing professional education programs and other sources of continuing professional education credit**

- (a) The following qualify as continuing professional education programs provided they contain the subjects enumerated in N.J.A.C. 13:29-6.3 and 13:29-6.4 and meet the continuing professional education program criteria requirements as set forth in N.J.A.C. 13:29-6.6.
1. Continuing professional education programs of national or state professional organizations: Con-

tinuing professional education credit shall be granted at the rate of one credit hour for every 50 minutes of in-class participation.

2. University or college courses: Continuing professional education credit shall be granted for university or college courses in accordance with the following:
    - i. Applicants shall receive five credit hours continuing professional education credit for each semester credit hour earned; and
    - ii. Applicants attending noncredit courses shall be granted continuing professional education credit at the rate of one credit hour for every 50 minutes of in-class participation.
  3. In-firm educational programs of public accounting firms: Continuing professional education credit shall be granted at the rate of one credit hour for every 50 minutes of in-firm participation.
  4. Correspondence programs and other individual study programs: Continuing professional education credit shall be granted for correspondence programs and other individual study programs in accordance with the following:
    - i. The amount of credit to be allowed for approved correspondence and individual study programs, including taped study programs, shall be recommended by the program sponsor based upon one-half the average completion time calculated by the sponsor after it has conducted appropriate "field tests." Although the program sponsor shall make recommendations concerning the number of credit hours to be granted, the number of credit hours granted shall be as determined by the Board; and
    - ii. Credit for correspondence and other individual study programs shall only be given in the renewal period in which the course is completed with a successful final examination.
- (b) In addition to the continuing professional education programs enumerated in (a) above, continuing professional education credit shall also be awarded for the following if they fall within the subjects enumerated in N.J.A.C. 13:29-6.3 and 13:29-6.4 and meet the continuing professional education program criteria as set forth in N.J.A.C. 13:29-6.6.
1. Technical meetings: Licensees who participate in meetings of professional accounting organizations shall be awarded continuing professional education credit for that portion of the meeting which is structured as a continuing professional

education program. Continuing professional education credit shall be granted at the rate of one credit hour for every 50 minutes of the licensee's participation.

2. Professional accounting meetings, conferences, seminars: Licensees who participate in meetings of professional accounting organizations shall be awarded continuing professional education credit if the meeting is structured as an approved continuing professional education program. Continuing professional education credit shall be granted at the rate of one credit hour for every 50 minutes of the licensee's participation in the meeting.
  3. Firm meetings: Licensees who participate in firm meetings for staff or for management groups of professional accounting organizations shall be awarded continuing professional education credit if the meeting is structured as an approved continuing professional education program. Continuing professional education credit shall be granted at the rate of one credit hour for every 50 minutes of the licensee's participation in the meeting.
- (c) In addition to the continuing professional education programs enumerated in (a) and (b) above, continuing professional education credit shall also be granted for the following if they involve subjects enumerated in N.J.A.C. 13:29-6.3 and 13:29-6.4:
1. Service as a lecturer, instructor, discussion leader, or speaker: Continuing professional education credit shall be awarded for service as a lecturer, instructor, discussion leader, or speaker in accordance with the following:
    - i. One credit hour shall be given for each 50 minute period of service provided the discussion is one which meets the continuing professional education subject matter requirements of N.J.A.C. 13:29-6.3 and 13:29-6.4. For the lecturer's, instructor's, discussion leader's, or speaker's preparation time, there shall be awarded two additional hours of continuing professional education credit for each credit hour of instruction. Requests for credit shall be accompanied by an outline of the instruction, discussion, or presentation.
    - ii. The instructor or discussion leader shall not be given credit for subsequent sessions in the same year involving substantially identical subject matter, except that after one year has elapsed the Board may give one additional credit hour for each 50 minute period of service as an instruc-

tor, lecturer, discussion leader, or speaker for the initial presentation provided the original material has been updated; and

- iii. The maximum credit given for service as an instructor, lecturer, discussion leader, or speaker shall not exceed 60 credit hours for the triennial period.
2. Publications: Continuing professional education credit for peer-reviewed publications shall be awarded in accordance with the following:
- i. Credit may be claimed for published articles and books by the authors of those works. These publications must contribute to the professional competence of accountants;
  - ii. Credit will be given for each 50 minute period of preparation time on a self-declaration basis normally not to exceed 25 percent of the triennial requirement. A copy of the publication article shall be submitted to the Board with a request for continuing education credit;
  - iii. In exceptional circumstances, a licensee may request additional credit by submitting the article or book to the Board with an explanation of the circumstances which he or she believes justify an award of greater credit. When licensees request more than 30 credit hours during the triennial period, credit hours awarded shall be determined by the Board on a case-by-case basis. Factors such as complexity of subject matter, length of publication, and the amount of preparation time shall be considered;
  - iv. The maximum credit for publication in exceptional circumstances shall not exceed 60 credit hours for the triennial period; and
  - v. Credit shall be given for each 50 minute period of quality enhancement, technical review or peer review program committee participation, not to exceed 60 credit hours for the triennial period.

#### **13:29-6.6 Criteria for continuing professional education sponsors**

- (a) In order to qualify as a continuing professional education sponsor, the sponsor shall submit an application form prescribed by the Board and obtain a sponsor number. Qualified sponsors shall offer courses which meet the following requirements:
1. Be a formal course of learning which contributes directly to the maintenance of professional competence of a licensee;



2. Be at least one credit hour, 50-minute period, in length;
  3. Be conducted by a qualified instructor or discussion leader; and
  4. Offer subject matter enumerated in N.J.A.C. 13:29-6.3 or 13:29-6.4.
- (b) A continuing professional education sponsor may receive prior approval for a course of acceptable subject matter and be assigned a designated number of continuing professional education credits by the Board if the program sponsor provides, in writing and on a form provided by the Board, information required by the Board to document the elements of (a) above, and, in addition thereto, certifies that the sponsor shall:
1. Maintain and retain accurate records of attendance for a five-year period;
  2. Retain a written outline of course materials for a five-year period; and
  3. Comply with the requirements of N.J.A.C. 13:29-6.12 relative to the responsibilities of program sponsors.
- (c) A continuing professional education sponsor shall not offer courses for continuing professional education credit to any Board licensee in subject matters other than those enumerated in N.J.A.C. 13:29-6.3 or 13:29-6.4.

### **13:29-6.7 Credit-hour calculations**

- (a) The minimum measurement for continuing education credit will be a whole credit hour. Except for those sources of continuing education for which another system of credit hour calculation is set forth in this subchapter, a continuing education credit hour is equivalent to 50 minutes of acceptable continuing education.
- (b) Unless otherwise provided, only in-class participation, not student time devoted to preparation, will be counted.

### **13:29-6.8 Reporting of continuing education credit hours**

- (a) Licensees must provide, at a time prescribed and on forms approved by the Board, a signed statement certifying that continuing education requirements have been met and must document their certification, which shall include where applicable the following:
1. Dates attended;
  2. Credit hours claimed;
  3. Title of course and description of content;

4. School, firm, or organization sponsoring course;
5. Instructor;
6. Location of course;
7. Public speaking;
8. Lecturing; and
9. Discussion leader activity.

- (b) Falsification of any information required may result in the suspension or revocation of the licenses held by the falsifier.

### **13:29-6.9 Retention of continuing education records**

- (a) Primary responsibility for documenting the continuing education requirements rests with the licensee. Evidence to support fulfillment of those requirements shall be maintained for a period of five years after the completion of educational courses. This data shall be subject to periodic audit by the Board. Satisfactory documentation of the necessary information, including the retention of attendance records and written outlines, shall be accomplished as follows:
1. For courses taken for scholastic credit in accredited universities or colleges, a certified transcript or notarized statement of appropriate school authority shall constitute evidence of satisfactory completion of the course. For noncredit courses taken, a statement of the hours of attendance signed by the instructor, shall be obtained by the licensee.
  2. For correspondence and independent study courses, written evidence of completion shall be submitted by the licensee.
    - i. Acceptable evidence of the completion of a correspondence course shall be a certificate of satisfactory completion acquired by the licensee from the program sponsor.
    - ii. Acceptable evidence of the completion of an independent study course shall be a summary of the program material drafted by the licensee.
  3. If the program sponsor retains a copy of the course materials and a record of attendance, the licensee shall merely maintain a record of the information listed in N.J.A.C. 13:29-6.8(a). The licensee is responsible for determining whether or not the program sponsor retains these records. If there is a dispute concerning whether claimed activity should be granted credit and if the dispute could be resolved by the production of documented information to support the claim of the

licensee, the dispute will be resolved against the licensee if he or she fails to produce evidence sufficient to document his or her claim.

4. If the licensee determined that the program sponsor does not retain the information discussed in (a)3 above, the licensee shall maintain a record of that information and a copy of the course outline prepared by the program sponsor.

### **13:29-6.10 Continuing professional education requirements; reciprocity or reinstatement**

- (a) An individual who holds a valid and unrevoked license issued by any state or other political subdivision of the United States and who receives a license to practice in New Jersey under the appropriate provisions of N.J.S.A. 45:2B-42 et seq. shall be required to comply with the continuing education requirements applicable to all other licensees.
- (b) All qualified persons who wish to apply for a license to reinstatement to public practice in New Jersey shall meet the same continuing professional education requirements applicable to all other licensees for the triennial period in which they wish to be reinstated.

### **13:29-6.11 Responsibilities of program developers**

- (a) Regarding program level difficulty, program developers shall specify the level of knowledge to be imparted under the program. Such levels of knowledge may be expressed in a variety of ways, all of which should be informative to potential participants and sponsors. As an illustration, a program may be described as having the objective of imparting technical knowledge at such levels as basic, intermediate, advanced, or overview, which might be defined as follows:
  1. A basic level program teaches fundamental principles or skills to participate having no prior exposure to the subject area;
  2. An intermediate level program builds on a basic level program in order to relate fundamental principles or skills to practical situations and extend them to a broader range of applications;
  3. An advanced level program teaches participants to deal with complex situations; and
  4. An overview program enables participants to develop perspective as to how a subject area relates to the broader aspects of accounting or brings participants up-to-date on new developments in the subject area.

- (b) Program developers shall clearly identify what prerequisites are suggested for enrollment. If no prerequisite is necessary, a statement to this effect should be made. Prerequisites should be specified in precise language so potential participants can readily ascertain whether the program would be beneficial to them or whether the program is above or below their level of knowledge or skill.

- (c) Programs shall be developed by individuals qualified in the subject matter and in instructional design. This subsection is not intended to require that an individual program developer be both technically competent and competent in instructional design. Its purpose is to ensure that both types of competency are represented in the program's development, whether one or more persons are involved in that development. Mastery of the technical knowledge or skill in instructional design may be demonstrated by appropriate experience or educational credentials.

- (d) The program developer shall review the course materials periodically to ensure that they are accurate and consistent with currently accepted standards relating to the program's subject matter. Between these reviews, errata sheets should be issued where appropriate, and obsolete material should be deleted; however, between the time a new pronouncement is issued and the issuance of errata sheets or removal of obsolete materials, the instructor is responsible for informing participants of changes. If, for example, a new accounting standard is issued, a program will not be considered current unless the ramifications of the new standard have been incorporated into the materials or the instructor appropriately informs the participants of the new standard.

### **13:29-6.12 Responsibilities of program sponsors**

- (a) In addition to other responsibilities imposed on program sponsors, they must comply with the following:
  1. Disclosure to prospective participants: Program sponsors must disclose in advance to prospective participants the objective, prerequisites, experience level, content, required advanced preparation, teaching method, and number of continuing education credits involved in the program. Sponsors shall also advise participants, in advance, of courses which qualify as "auditing" pursuant to N.J.A.C. 13:29-6.3(a).
  2. Selection and review of instructors: The program sponsor has the obligation for selecting and assigning qualified instructors for the continuing education program. Although it is expected that instructors will be selected with great care, spon-

sors should evaluate the performance of the instructors at the conclusion of each program to determine their suitability for continuing to serve as instructors in the future.

3. Number of participants and adequacy of physical facilities: The program sponsor is responsible for assuring that the number of participants and the physical facilities are consistent with the teaching methods to be utilized. Because the learning environment is affected by the number of participants and by the quality of the physical facilities, sponsors have an obligation to pay serious attention to both of these factors. The maximum number of participants for a case-oriented discussion program, for example, should be considerably less than for a lecture program. The seating arrangement is also very important. For discussion presentation, learning is enhanced as seating is arranged so that participants can easily see and converse with each other. If small group sessions are an integral part of the program format, appropriate facilities should be made available to encourage communication within a small group.
4. Program evaluation: Program evaluation shall be in accordance with the following:
  - i. The sponsor shall provide some means of program evaluation. Evaluations shall be solicited from both the participants and instructors. The objective of evaluations is to encourage sponsors to strive for increased program effectiveness. Programs should be evaluated to determine whether:
    - (1) Objectives have been met;
    - (2) Prerequisites were necessary or desirable;
    - (3) Facilities were satisfactory;
    - (4) The instructor was effective;
    - (5) Advanced preparation materials were satisfactory;
    - (6) The program content was timely and effective.
  - ii. Evaluations might take the form of pretests for advanced preparation, post-tests for effectiveness of the program, questionnaires completed at the end of the program or later, oral feedback to the instructor or sponsor, and so forth. Instructors should be informed of their performance, and sponsors should systematically review the evaluation process to insure its effectiveness.

### 13:29-6.13 Sponsor's failure to comply with continuing education responsibilities

Failure of the sponsor to comply with the requirements relating to criteria for continuing education programs and responsibilities of program sponsors may result in the suspension of the preapproved status for programs offered by the sponsor.



## Board Actions

**Michael Bent, CPA**  
**Manahawkin, New Jersey**

Consent Order entered on November 30, 1999. License voluntarily surrendered without prejudice to seeking reinstatement upon completion of probation after entering a plea of guilty in United States District Court to subscribing to a false income tax return.

**Anthony J. Campisi (unlicensed)**

Consent Order entered on June 14, 1999. Respondent agrees to cease and desist holding himself out to the public as a "public accountant." He was assessed a civil penalty of \$1,000 plus \$500 in costs.

**Robert T. Caruso, CPA**  
**Saddle River, New Jersey**

Consent Order entered on October 21, 1999. License voluntarily surrendered to be deemed revocation. Respondent was indicted for mail fraud, tax evasion, transporting of stolen money and money laundering.

**David B. Cohen, CPA**  
**Cherry Hill, New Jersey**

Consent Order entered on September 21, 1999. License surrendered to be deemed revocation. The action was based upon receipt of information that respondent repeatedly misappropriated funds that were designated as employee withholding taxes, due and owing to the federal government.

**Charles T. Genovese, CPA**  
**Franklin Lakes, New Jersey**

Consent Order entered on October 21, 1999. License voluntarily surrendered to be deemed revocation, based upon receipt of information that respondent entered into a plea agreement concerning a conspiracy to obstruct justice and commit perjury in connection with an investigation by the Securities and Exchange Commission.

**Joseph Lempel, CPA**  
**Sandy Hook, Connecticut**

Consent Order entered on June 8, 1999, based upon receipt by the Board of an Order filed in the Superior Court of New Jersey alleging that respondent Lempel erased a figure in a document entered in evidence. License suspended for six months, all of which shall be stayed and served as a period of probation. Respondent is required to complete eight continuing professional education hours in professional ethics.

**Randles Needham, CPA**  
**Glen Ridge, New Jersey**

Consent Order entered on February 4, 2000. Respondent shall cease and desist holding himself out as a CPA after he failed to renew his license since September 30, 1997, and failed to return records in his possession to two former clients.

**Paul Olivier, CPA**  
**Haddonfield, New Jersey**

Final Order of Discipline entered on December 2, 1999. Respondent was convicted in U.S. District Court of the crime of conspiracy to commit HUD fraud. His license is revoked.

**Frank Palumbo, CPA**  
**Aberdeen, New Jersey**

Consent Order entered on December 23, 1999. Respondent pled guilty to a one-count felony Information in U.S. District Court. License surrendered with prejudice to seeking reinstatement for two years from the date of entry of the Order.

**Peter Secivanovic, CPA**  
**Barneget, New Jersey**

Final Order of Discipline entered on January 14, 2000. License suspended based upon respondent's conviction of the crime of misapplication of entrusted property and plea of guilty to possession of cocaine.

## Board Actions

**Joan Sterling, CPA**  
**Englishtown, New Jersey**

Final Order of Discipline entered on October 14, 1999. License suspended for one year, all of which is stayed. Respondent pled guilty to the crime of filing a false income tax return.

**Charles J. Todd, Jr., CPA**  
**Haddonfield, New Jersey**

Consent Order entered on November 19, 1999. License surrendered to be deemed a suspension with no right to reinstatement for six months, during which time respondent shall not engage in the preparation of any estate tax or inheritance tax returns. The action was based upon receipt of information that respondent prepared and filed fraudulent tax returns in his capacity as the executor of an estate by failing to report a cash distribution of \$300,000, and box of silver coins valued at \$200. Respondent shall undertake an additional 24 hours of continuing professional education related to estate and inheritance tax and accounting practice, business valuation and professional ethics.

## Reinstatement

**Arthur L. Chianese, CPA**  
**Monmouth Beach, New Jersey**

Order of Reinstatement entered on October 7, 1999. Respondent had voluntarily surrendered his license pursuant to a Board Order entered on January 26, 1998.

**Lance Harrison, CPA**  
**Fort Lee, New Jersey**

Order of Reinstatement entered on April 1, 1999. Respondent voluntarily surrendered his license pursuant to a Board Order of May 8, 1994.

**Earl Haugabrook, CPA**  
**Irvington, New Jersey**

Order of Reinstatement entered on September 30, 1999. Respondent had voluntarily surrendered his license pursuant to a Consent Order entered on August 19, 1996.

**Ronald Oringer, CPA**  
**Flanders, New Jersey**

Order of Reinstatement entered on April 20, 1999. Respondent voluntarily surrendered his license in a Consent Order entered on April 29, 1996.

## CPA Certificate Presentation Ceremonies Held

Newly licensed Certified Public Accountants were presented with their embossed certificates at ceremonies and receptions held on May 19, 1999 and November 17, 1999, at the PNC Arts Center in Holmdel. The semi-annual event has become a tradition with the New Jersey State Board of Accountancy. The recipients of certificates are listed below.

### **May 19, 1999**

Brian J. Abatemarco  
Robert Alper  
Anthony Arena  
Tayo Awonusi  
R. Brian Bair  
Brian Bajor  
Daniel Howard Bartnick  
John Norman Bator  
Robert J. Benke  
Jennifer Rose Bloom  
Lisa S. Boyell  
Anthony F. Bruce  
Daniel P. Burns, Jr.  
Albert B. Caamic  
Cheryl Caporale  
Scott J. Charles  
David C. Cohen  
Barbara A. Collins  
Heidi F. Daniels  
David Dasilva, Jr.  
Gregory J. Debski  
Angelo F. Del Core  
Daniel Delmonaco  
Michael Delmonaco  
Sandra C. Dierolf  
Christine Donzella  
Joseph G. Driscoll  
Robert M. Emmett  
Ernesto T. Estillore  
Ruth I. Ferguson  
Nicole A. Festa  
Jacqueline L. Fitzmaurice  
Kathleen A Fitzpatrick  
Debra A. Fletcher  
Sarah Gamer  
Kristen L. Gantt  
Denise Greco  
Jaennette P. Gumucio  
Christinia A. Hall  
R. Lee Height  
Harvey M. Hoffman  
Maryann Holloway  
Maureen Holt  
Tara M. Houlihan  
Randi E. Jermansen  
Craig R. Johnson

Katherine M. Johnstone  
James M. Kochanski  
John N. Koennecke  
Diane Lapp  
Suzy Kim Lee  
O. Michael Leon  
Diane J. Lomas  
Scott B. Love  
Leo F. Mc Manus  
Richard C. Mamone  
Valerie Manahan  
Cristina C. Marasigan  
Alisa Markovitch  
Marc Theodore Martens  
Tara Hanley Mathiesen  
Jennifer L. Mazzucco  
Edward James Morales  
David Morrongiello  
Cynthia J. Muller  
Stephen John Muretta  
Janitza Murphy  
Paul E. Natalizio Iv  
Christopher Eric Nebab  
Sandra Ann Nick  
James L. Ogle Iii  
Omotayo T. Okusanya  
Barry E. Oliver  
Gary Owens  
Kerri L. Palen  
Scott Edward Parsons  
Patrick Peruio  
Stephen Petti  
Joseph F. Picone  
Kevin F. Pierce  
Rita K. Press  
Kimberly Marie Pyontek  
George Darryl Riehman  
Dawn Marie Rivera  
Gabriel Rodriguez, Jr.  
Robert J. Russamano  
David J. Sailer  
Kristin M. Sallo  
Steven C. Schinella  
Lina Schmitt  
Brian Charles Scillieri  
James Keith Seary  
Frank Shahin

Matthew A. Shiebler  
Christos A. Sideras  
Kelley Ann Simone  
Ranjie S. Singh  
Carletta O. Smith  
Jason Michael Sorrentino  
Patrick V. Still  
Robin Michele Sydorowycz  
Akif R. Tarique  
Victoria Y. Taylor  
Donna Lynn Timochko  
Tara Ann Underwald  
Joseph William Veigel  
Victoria J. Veth  
Elizabeth C. Vidal  
Cristi C. Vilade  
Francis Ho-Kee Wan  
Rudolf B. Weber  
Lawrence Martin Wefferling  
Denise Wiggins  
Theresa M. Williams  
Sharon S. Wilson  
John R. Wisniewski  
Penny Jill Zitomer



Assistant Attorney General John J. Smith of the New Jersey Office of the Insurance Fraud Prosecutor addresses new licensees on new initiatives in the pursuit of insurance fraud in New Jersey as well as issues of professional ethics and responsibility.

## November 18, 1999

Patrice Renee Antonucci  
 David Gregory Aynejian  
 Roman Baboshko  
 Albert Bao  
 Dennis Baucom  
 Ronald Lucas Blake  
 Kelly Boehm  
 Linda J. Brophy  
 Dorrett L. Brown  
 Vincent Campanile  
 James R. Cioci  
 Ralph M. Colotti  
 Joseph D. Coppola  
 Priscella Correa  
 Barbara M. Della Torre  
 Jorge R. Diaz  
 Thomas J. Donnelly  
 Daniel T. Dunkelberger  
 Patrick M. Edwards  
 Keira Alexandra Forker  
 Michael P. Foy  
 Abdi H. Gass  
 Agnieszka Giacone  
 Douglas Keith Harbaugh  
 Mary E. Havanki  
 Raymond Matthew Hawryluk  
 Jennifer Held  
 Raymond V.  
 Hendrickson Ii  
 Andrea Icolari  
 Francine Jacobs  
 Susan Ellen  
 Kahnowitz  
 Janemarie Kane  
 Sandip S Kapadia  
 Peter Kozubal  
 Pietro La Porta  
 Rodger Todd Lazoff  
 Linda Z. Lesniak  
 Rocco Marotti Jr.  
 Jennifer Marrone  
 Joan Marie Maurer  
 Janet Hanlon  
 Mcnerney  
 Anna Michal  
 Eric John Migliorino  
 John E. Murray  
 Barbara J. Nicol  
 Jacqalene Novak

Daniel Joseph O'brien  
 Patrick Joseph O'brien  
 Diane Oreda  
 Shrikant Parikh  
 Dorothy Pearlman  
 Nancy Frances Prescott  
 Weiwei V. Qi  
 Brenda B. Ries  
 Daphne G. Rouse  
 Cheryl A. Ryan  
 Kimberly M. Schempp  
 Joel Schwartz  
 Eric C. Seibel  
 Deborah D. Sievers  
 Scott W. Smith  
 Vaseleke Antonia Sourvanos  
 Barry W. Szarvas Jr.  
 Matthew K. Varley  
 Darin Todd Vogt  
 Kenneth J. Vrzal  
 Ivan G. Watson  
 David S. Weissman  
 Ralph Frank Wilson Iii  
 Frederick Andrew Winkler  
 Monica Ann Zaccaario



Pictured at the November Certificate Presentation Ceremony are (left to right): Anne Fosbre, CPA, Ph.D., Board Secretary; Vice President Robert Sommer, Public Accountant; Board President Al Pisano, Esq.; Assistant Attorney General John J. Smith of the New Jersey Office of the Insurance Fraud Prosecutor; Executive Director Kevin B. Earle; Gail Ryan, CPA, Board Treasurer and Chairwoman of the Certificate Presentation Ceremony Committee; and Deputy Attorney General Marianne Greenwald, Counsel to the Board of Accountancy.

## Release of Client Records

The New Jersey State Board of Accountancy is often called upon to intervene in disputes concerning the release of client records. Both the statutes and regulations governing the practice of accountancy contain provisions concerning the release of records. Licensees are required to furnish to a client or former client, upon request and reasonable notice:

- A copy of the licensee's working papers or other records, to the extent that these would ordinarily be considered part of the client's records and would not otherwise be available to the client; and
- Any accounting or other records that were removed from the client's premises or received from others for the client's account by the licensee. The licensee may make or retain copies of such documents when they form the basis for work done by the licensee or the firm.

Many times, disputes arise when records are retained due to an outstanding bill. Licensees are advised that client records may not be withheld as leverage in such disputes. The civil courts are the appropriate forums in matters of collections.



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